

OMB Control Number: 3060-0652

February 2008

Title: Section 76.309, Customer Service Obligations; Section 76.1602, Customer Service – General Information, Section 76.1603, Customer Service – Rate and Service Changes and 76.1619, Information and Subscriber Bills.

SUPPORTING STATEMENT

A. Justification:

1. 47 CFR Section 76.309 and 47 CFR Section 76.1603 set forth various customer service obligations and notification requirements for changes in rates, programming services and channel positions.

47 CFR Section 76.1602(a) states that franchise authorities must provide affected cable operators 90 days written notice of its intent to enforce customer services standards.

47 CFR Section 76.1603(b) states that customers will be notified of any changes in rates, programming services or channel positions as soon as possible in writing. Notice must be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of the cable operator. In addition, the cable operator shall notify subscribers 30 days in advance of any significant changes in the other information required by Section 76.1602.

47 CFR Section 76.1603(c) states that in addition to the requirement set forth in Section 76.1603(b) regarding advance notification to customers of any changes in rates, programming services or channel positions, cable systems shall give 30 days written notice to both subscribers and local franchising authorities before implementing any rate or service change. Such notice shall state the precise amount of any rate change and briefly explain in readily understandable fashion the cause of the rate change (e.g. inflation, changes in external costs or the addition/deletion of channels). When the change involves the addition or deletion of channels, each channel added or deleted must be separately identified. Section 76.1602(c) requires cable operators to inform subscribers in writing of their right to file complaints about changes in cable programming service tier rates and services, and shall provide the address and phone number of the local franchising authority.

47 CFR Section 76.1619(b) states that in case of a billing dispute, the cable operator must respond to a written complaint from a subscriber within 30 days. In addition, Section 76.1619 sets forth requirements for information on subscriber bills.

History:

Pursuant to the Commission's reorganization and renumbering of 47 CFR Section 76, as part of the 1998 Biennial Review--Multichannel Video and Cable Television Service, 47 CFR Sections 76.309 in part and 76.964 have been renumbered among sections 76.1602, 76.1603 and 76.1619.

OMB Control Number: 3060-0652

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Originally, the notification requirements were included in 47 CFR Section 76.964, but pursuant to the reorganization, this requirement was placed in 47 CFR Section 76.1603. *See* 65 FR 53610, September 2, 2000. The information collection previously included in this OMB control number is now renumbered as 47 CFR Section 76.1603.

On October 31, 2001, the Commission released a *Second Report and Order*, In the Matter of 1998 Biennial Regulatory Review – Streamlining of Cable Television Services, Part 76 Public File and Notice Requirements, CS Docket No. 98-132, FCC #01-314, making a minor correction to Section 76.309 concerning notification requirements. A footnote was added to the rule Section.

The Commission is requesting an extension of this information collection in order to receive the full three year approval/clearance from OMB for this information collection.

As noted on the OMB Form 83-I, this information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

Statutory authority for this collection of information is contained in Sections 4(i) and 632 of the Communications Act of 1934, as amended.

2. The Commission requires the various disclosure and notifications contained in this collection as a means of consumer protection to ensure that subscribers and franchising authorities are aware of cable operators' business practices, current rates, rate changes for programming, service and equipment, and channel line-up changes.
3. Use of information technology is feasible to the extent that cable operators can make the disclosures as part of pre-printed text on regular monthly subscriber billing statements.
4. The Commission does not impose similar disclosure requirements on the respondents.
5. These disclosure requirements do not have a significant impact on a substantial number of small businesses/entities.
6. If the disclosure requirement contained in this collection was not sponsored by the Commission, the Commission's consumer protection provisions for cable subscribers would be jeopardized. In addition, the Commission would not be in compliance with Section 632 of the Communications Act of 1934.
7. There are no special circumstances associated with this collection of information.

OMB Control Number: 3060-0652

February 2008

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8. The Commission published a Notice (72 FR 69681) in the Federal Register on December 10, 2007. No comments were generated as a result of the Notice.

9. Respondents will not receive any gifts or payments.

10. There is no need for confidentiality for this information collection.

11. This information collection does not address any private matters of a sensitive nature.

12. 47 CFR Section 76.1602 requires franchise authorities to provide 90 days written notice of their intent to enforce customer service standards. The majority of franchise authorities that enforce customer service standards are already assumed to have made their decisions to do so upon initial promulgation of the Commission's customer service standards. Currently, we estimate that no more than 10 additional franchise authorities make this decision annually and hence issue the associated notice of intent. The paperwork burden to make notice is estimated to be one hour per notice.

10 notices of intent issued from franchise authorities x 1 hour/notice/annum = 10 hours

Section 76.1603 provides notification requirements. This written information is assumed to be disclosed as pre-printed text in regular monthly subscriber billing statements. According to Commission records, currently there are approximately 8,250 cable systems. The Commission estimates that cable operators update this information an average of once per year and undergo a paperwork burden of one hour for the update. This information must also be disclosed upon request from subscribers.

8,250 cable systems x 1 hour/system/annum = 8,250 hours

We estimate that operators annually receive 100,000 requests for such information and that the paperwork burden to make each disclosure is 10 minutes.

100,000 requests from subscribers x .166 hours/request/annum (10 minutes) = 16,600 hrs

Section 76.309 notification requirements: Cable systems shall give 30 days written notice to subscribers before implementing any rate or service change and must notify subscribers of their rights to file complaints about such rate or service changes. The notice of rate or service changes and the notice of subscribers' rights to file complaints are to be considered to constitute a single disclosure of information. We estimate that systems make this notification an average of once

OMB Control Number: 3060-0652

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per year and that the information is disclosed as pre-printed text in regular monthly subscriber billing statements. The paperwork burden to incorporate the information into the billing statements is estimated to be .50 hours per system.

$$8,250 \text{ cable systems} \times .50 \text{ hrs./system/annum} = 4,125 \text{ hours}$$

Section 76.1619(b) billing dispute requirements: In case of billing disputes, cable operators must respond to a written complaint from a subscriber within 30 days. The Commission estimates that 1,000 written billing dispute complaints are received by operators annually. (The vast majority of billing disputes are assumed to be telephoned.) The average burden to respond to each written billing dispute is estimated to be .25 hours.

$$1,000 \text{ written billing disputes} \times .25 \text{ hours/billing dispute/annum} = 250 \text{ hours}$$

Total Number of Annual Respondents:

$$8,250 \text{ cable systems} + 10 \text{ local franchise authorities} = \mathbf{8,260 \text{ (respondents)}}$$

Total Number of Annual Responses:

$$\begin{aligned} & 10 - \text{notices of intent issued from franchise authorities (under Section 76.1602)} \\ & 8,250 - \text{pre-printed notices from cable operators (under Section 76.1603)} \\ & 100,000 - \text{request from subscribers (under Section 76.1603)} \\ & 8,250 - \text{pre-printed notices from cable operators (under Section 76.309)} \\ + & \underline{1,000} - \text{written billing dispute complaints (under Section 76.1619(b))} \\ & \mathbf{117,510 \text{ (responses)}} \end{aligned}$$

Total Annual Burden:

$$\begin{aligned} & 10 \text{ hours (under Section 76.1602)} \\ & 8,250 \text{ hours (under Section 76.1603)} \\ & 16,600 \text{ hours (under Section 76.1603)} \\ & 4,125 \text{ hours (under Section 76.309)} \\ + & \underline{250 \text{ hours (under Section 76.1619(b))}} \\ & \mathbf{29,235 \text{ hours}} \end{aligned}$$

Total Annual "In-House Costs": We estimate an average hourly wage of \$18.00 per hour for individuals tasked with the various disclosure requirements contained in this collection.

$$29,235 \text{ hours} \times \$18.00 \text{ per hour} = \mathbf{\$526,230}$$

OMB Control Number: 3060-0652

February 2008

Title: Section 76.309, Customer Service Obligations; Section 76.1602, Customer Service – General Information, Section 76.1603, Customer Service – Rate and Service Changes and 76.1619, Information and Subscriber Bills.

These estimates are based on Commission staff's knowledge and familiarity with the availability of the data required.

13. Annual Cost Burden:

- (a) Total annualized capital/startup costs: None
- (b) Total annual costs (O&M): None
- (c) Total annualized cost requested: None

14. There is no cost to the Federal Government.

15. There are no program changes or adjustments to this information collection.

16. The data will not be published for statistical use.

17. We do not seek approval to display the expiration date for OMB approval of the information collection.

18. There are no exceptions to Item 19 of the Certification Statement.

B. Collections of Information Employing Statistical Methods:

No statistical methods are employed.